

Indiana House of Representatives

News and Information

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STATEHOUSE REPORT FROM REP. TRENT VAN HAAFTEN

INDIANAPOLIS – The 2005 session of the Indiana General Assembly has come to a close and oh, what a week it was. Over the course of the next couple of weeks, I will share with you how specific issues such as the Meth Bill (SB 444) came to a close. But for now, let me talk of the closing days.

Last week was a whirlwind of activity. In the final three days of the session, we stayed until midnight in order to complete work by the required sine die date of April 29 (last Friday).

The most important measure that we addressed was the budget bill. While parts of the budget may provide incentives for businesses in Indiana, I believe that this budget will have a very negative impact for property taxpayers and our schools.

After years of bipartisan efforts aimed at education reform and reducing property taxes, the Republican majorities in the Indiana House and Senate and Gov. Daniels have approved a budget that will cut funding for many schools and raise property taxes for most Hoosiers by nearly \$850 million.

Here are the basics of the budget written by Republicans that is contained in House Enrolled Act 1001:

- If there is to be any additional funding for schools in Posey County, it will have to come primarily from local property taxes, not the state.
- There are no minimum guarantees in state funding for schools. As a result, every school corporation in Posey County and more than 140 school corporations in Indiana will receive less money.
- There will be reduced state support for local property taxpayers through the Property Tax Replacement Credit (PTRC) program, another move that will increase local property taxes; and
- Funding for Medicaid, the federal program that provides health care for the elderly, disabled and children, will increase by only 5 percent, even though costs are expected to rise 10 percent.

I have already been informed that there will be teacher layoffs in both Mt. Vernon and North Posey as a result of this reduced funding. Unfortunately, this will result in larger class sizes, forcing schools to abandon the central provision of the A-plus education reform program championed by Gov. Robert Orr back in 1987. Teachers will have less time to spend on individual instruction for students.

Those that prepared and passed the budget have trumpeted it as an “honestly balanced budget.” I have to disagree with this portrayal because any increases in school funding will have to come from increased local property taxes. I was frustrated with the debate on the budget bill because the author kept stating that there were no general tax increases. Yet, in the next breath, he acknowledged that local property taxes would be raised.

To me, a tax is a tax, and a tax increase is a tax increase. Whether it is a “general tax increase” or an increase in property taxes, the Republican-passed budget raises taxes.

If legislators who supported this budget want to be honest, they should admit that it is being balanced on the backs of our children and our taxpayers.

Since it has dominated the headlines in these final weeks of the session, let me also tell you that majorities in both

the House and Senate have approved a plan to bring daylight-saving time to all of Indiana. The governor has announced he intends to sign this proposal into law.

I have been amazed at the passionate debate of this proposed time change. The move to daylight-saving time will take effect in the spring of 2006 for all counties in Indiana, except for a few located in Northwest and Southwest Indiana. When the change is implemented, Posey, Vanderburgh, Gibson, Warrick and Spencer Counties will always be an hour behind the rest of the state.

The legislation does require that the governor ask the U.S. Department of Transportation conduct public hearings across Indiana to determine the possibility that the state move into the Central Time Zone. Once again, only time will tell if all of Indiana will be moved to the same time zone.

In the coming weeks, I will discuss the bills that passed in the 2005 legislative session, along with recounting my impressions of my first budget session. Personally, it is good to be back home full time. There is nothing better than being back in Southwest Indiana.

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